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Sweden

Fishery Products

Annual

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Report Highlights:
In response to conservation interests, the Swedish Government has decided to halt all Swedish cod fishing for one year, starting in 2003. The EU Agriculture Commissioner has assured that the Swedish yearly quota of 15,000 metric tons will not be transferred to any other country. Imports are expected to rise in MY 2003.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

The fishing industry represents a minor part of Sweden's economy but is nonetheless very important in some coastal areas. In 2001, a total of 298,400 metric tons valued at SEK 1,174 million (USD 114 million) was caught. In 2000, a total of 332,400 metric tons valued at SEK 955 million (USD 104 million) was caught.

Imports of fish and fish products have been increasing during the past years, due to declining domestic production, and will likely continue to increase. The U.S. was for the past decade (until 1997) the fourth largest supplier of fish and fish products to Sweden after Norway, Denmark and Iceland. However, U.S. share has declined and in 2001, the U.S. was the ninth largest supplier with a market share of about 1 percent. The strength of the dollar against the Swedish krona and stiff competition from neighboring countries are the main factors affecting the market and U.S. trade. Norway and Denmark together account for over 70 percent of total imports by Sweden, with 55 percent and 17 percent shares respectively.

The Swedish Government has decided to halt all Swedish cod fishing for one year, starting in 2003. The Swedish Ministry of Agriculture, Food and Fisheries has received assurances from EU Agriculture Commissioner Franz Fishler that the Swedish yearly quota of 15,000 metric tons will not be transferred to any other country. Fishermen and the processing industry have been promised compensation for lost incomes.

Consumption of fresh fish in Sweden is relatively stable, while consumption of processed and prepared fish products is increasing. Overall, the consumption of fish and fish products is increasing. This is partly attributable to the successful promotions of the Swedish organization Svensk Fisk and the general perception among Swedes that fish is a healthy alternative to meat.

The average exchange rates used in this report are:
2001 SEK 10.33 USD 1.00
2000 SEK 9.18 to USD 1.00

Production

The Swedish catch in sea fisheries (wild catch) amounted to 298,383 metric tons in 2001, down 10 percent from 2000. In value, total landings increased and amounted to SEK 1,174 million (USD 114 million), up from SEK 955 million (USD 104 million) in 2000. The Swedish catch in groundfish amounted to 49,071 metric tons in 2001, up 29 percent from 2000. Domestic prices have been relatively high and a further increase by 22 percent to 60,000 metric tons is expected in 2002. In 2003, however, production of groundfish is expected to decrease by 15 percent due to the possible halt of cod fishing.

Fish for reduction is the largest single commodity, amounting to 60 percent of the total 2001 catch. Of the catches for human consumption, herring is the principal species in Sweden, followed by cod. In 2001, these species accounted for 23 and 7 percent, respectively, of total landings. The herring catch increased to 68,008 metric tons, from 56,229 metric tons in 2000.

The cod catch was stable at 20,826 metric tons compared to 20,151 metric tons in 2000. The Swedish fish industry relies heavily on cod fishing. One-third of the total income (about USD 35 million) of professional fishermen in Sweden comes from cod fishing.

Sweden is a member of the International Fisheries Commission for the Baltic Sea, which sets quotas for member countries. Over-fishing of cod in the Baltic Sea has been a serious problem for several years. The 2003 quotas are given below (Sweden's approximate shares in parentheses):

	2002	2003
Herring	260,000 MT(61,410)	203,349 MT (47,077)
Sprat	380,000 MT (12,970)	310,000 MT (53,157)
Cod	76,000 MT (15,203)	75,000 MT (15,003)
Salmon	450,000 fish (123,652)	460,000 fish (126,400)

*Salmon quotas are given in number of fish.

The Swedish Government has, however, decided to halt all Swedish cod fishing for one year, starting in 2003. In the recent Swedish elections, the Social Democratic Party maintained its position as being the only government party. In order to maintain its political base in the Parliament, it had to make some concessions to the Green Party in post-election discussions, including the halt of all Swedish cod fishing. The Swedish Ministry of Agriculture, Food and Fisheries has received assurances from EU Agriculture Commissioner Franz Fishler that the Swedish yearly quota of 15,000 metric tons will not be transferred to any other country.

The Swedish fishing industry maintains that a total halt to cod fishing would cause great damage to the Swedish fish industry and would not protect the cod stock in the Baltic Sea. The industry fears that although the Swedish quota will not be allocated to another country, illegal fishing by other countries cannot be controlled. It argues that the very same cod that Sweden is not allowed to fish would be fished by other countries and exported to Sweden.

The Swedish Government and the Green Party have promised to compensate fishermen and the processing industry for lost incomes. According to GOS calculations, such compensation would cost the GOS approximately SEK 1 billion (USD 100 million). Despite GOS compensation plans, the industry is not at all happy with the decision and is currently trying to persuade both EU and Swedish decision-makers to revoke the temporary ban. The Government has given the National Board of Fisheries the task of investigating biological and economical consequences due to the halt. Results of the investigation and a final decision are expected in mid-November, 2002.

The 2001 figures on catch in inland waters by professional fishermen in Sweden are not yet available. In 2000, the catch amounted to 1,459 metric tons, valued at SEK 35.8 million (USD 3.9 million). Until 1997, catches had been around 2,000 metric tons. Since 1998, however, inland catches have been around 1,500 metric tons. The most important species in inland fishing are pike-perch, eel and whitefish. Domestic production of crayfish is fairly small and amounted to 17 metric tons in 2000. Fishing in private waters is popular, but the quantities of catches are difficult to estimate.

Aquaculture in Sweden is relatively small. In 2000, the yield amounted to 4,391 metric tons of fish for human consumption, which was about the same amount as the year before. Rainbow trout is the principal species, comprising approximately 86 percent of total yield. Other aquaculture species, listed in order of production volume, include blue mussels, char, eel, trout, and crayfish. The number of enterprises in 2001 engaged in aquaculture was 375, of which 246 produced fish for consumption and 12 produced blue mussels. In addition, 111 establishments cultivated fry for stocking. Last year, small scale production of cultured organic rainbow trout was initiated. Production amounts to about 20 metric tons per year.

The number of professional fishermen in Sweden is estimated at 2,782. Of this total, 220 are inland water fishermen. Since 1995 the number of professional fishermen has decreased by 15 percent, the decline in fishermen will likely continue due to reduced profitability and reduced catch. There are 1,124 registered fishing vessels over 8 meters in length.

The major canning company in Sweden is ABBA Seafood. ABBA (AktieBolaget Broderna Almen) includes processing and marketing of ABBA fishery products in Sweden, Denmark and Germany. In addition, marketing offices have been established in Norway, Poland, Finland and Austria. ABBA Seafood is a part of the Norwegian group Orkla Foods. Other important fish processing industries include Findus, Felix, and Festab AB. For 38 years (until 2000), Findus was owned by the international food company Nestlé, but was acquired two years ago by EQT, a private equity firm. Felix is also a part of the Orkla group and Festab AB is a part of the Norwegian Domstein Group.

Consumption

Previously, food consumption was estimated annually by the National Board of Agriculture (BOA). Now, Statistics Sweden (SCB) has this responsibility. The latest available data is from 1999. In 1999, total consumption of fish (processed fish included) amounted to 252,700 metric tons.

Total consumption of processed and prepared fish products has been gradually increasing, and amounted to 129,200 metric tons in 1999, compared to 104,300 metric tons in 1995. An increase in product assortment has apparently had a positive affect on consumption.

Swedes are purported to be the number one crayfish consumer in the world. Swedes consider crayfish a very special delicacy. They are cooked according to unique recipes using brine, dill and beer. Consumption is estimated at around 3,000 metric tons per year, of which 2,500 metric tons are imported. Although there are no available statistics, apparent consumption of prepared crayfish tails, shrimps, crab sticks and lobster has been increasing during the past years.

Swedish consumers are becoming more and more environment and health conscious in their choice of food. At the end of 2001, cultured organic rainbow trout was introduced for the first time on the Swedish market. So far, the interest among the processing industry and retailers has been limited. As a result, most Swedish consumers have not been exposed to this product and industry representatives believe that there is a potential demand for organic fish. A pilot project for wild fish labeled as organic has also been initiated. In its first phase, the project is focusing on developing rules for certification.

Trade

Imports of fish and fish products have been increasing during the past years, due to declining domestic production, and will likely continue to increase. In 2001, total imports of fish and fish products into Sweden amounted to USD 729 million compared to USD 629 million in 2000. Imports from the United States amounted to USD 5.9 million in 2001, which makes the United States the ninth largest supplier of fish and fish products to Sweden. It is estimated that a substantially greater amount of fish and fish products has been imported by Sweden than is apparent from trade data because of transshipment via the Netherlands. These imports are shown as imports from the Netherlands.

Imports of groundfish amounted to 6,609 metric tons in 2001 valued at USD 22 million, compared to 5,454 metric tons valued at USD 20.4 million in 2000. In 2002, imports of groundfish are expected to decrease by 10 percent due to increased domestic production while exports are expected to increase by 60 percent. In 2003, the possible halt of cod fishing is expected to double the imports of groundfish and possibilities for U.S. cod exports to Sweden may increase. Exports of groundfish are expected to decrease by 12 percent in 2003.

Pacific salmon is the main species imported from the U.S. Currently, Norway and Denmark dominate the Swedish import market for fish. Together they account for over 70 percent of total imports by Sweden, with individual shares of 55 percent and 17 percent, respectively. Considering their geographical nearness to Sweden, these countries will most likely maintain dominance in this market.

Total imports of crayfish by Sweden amounted to 3,500 metric tons in 2001, compared to 3,022 metric tons in 2000. The U.S. used to be the largest supplier on the Swedish market. However, from 1997 to 2001, imports of U.S. crayfish decreased from 1,409 metric tons to zero. The decline is mainly due to a supply shortage in Louisiana. Crayfish from China and Turkey have been very price competitive. However, due to findings of antibiotic residues in Chinese fishery products, the EU put a temporary ban on imports of various seafood products from China, including crayfish, in early spring of this year. As a result, imports from China, which accounted for 65 percent of total Swedish crayfish consumption in 2001, were replaced by supplies from Spain and Turkey in 2002. The Imports of U.S. crayfish amounted to 100 metric tons in 2002.

Policy

Since it became a member of the European Union in 1995, Sweden has adhered to the Common Fisheries Policy (CFP) of the EU.

At the end of 2001, the European Commission (EC) decided to implement thresholds for dioxin in fish. It was decided that fish exceeding the EU's thresholds for dioxin could not be sold for human consumption in any of the European Union member states, with the exception of Finland and Sweden. The exception will remain in effect until December 31, 2006. Until then, fish with dioxin levels exceeding the EU thresholds may be sold in Sweden (and Finland), under the condition that they are not exported to other EU countries. The National Food Addministration (NFA) has been conducting tests of dioxin levels in fish from the Baltic Sea. As a result of these tests, the NFA does now allow exports of various species such as eel, pike pearch, cod and sprat from the Baltic Sea. The EU decision to make an exception for Sweden was based on the Swedish authorities' arguments that health benefits of lower thresholds do not exceed the lost benefits of eating fish.

The Swedish organization Svensk Fisk (Swedish Fish) is supported by the industry and the Swedish government. The organization's goal is to increase fish consumption through communicating the benefits of eating fish to consumers. The organization closed down in June, 2000, according to plan. In August of last year, however, the organization re-started its activities. The Swedish Government is supporting the organization with initial paid-in capital of SEK 5 million (USD 550,000).

The Swedish National Environmental Protection Agency has provided SEK 16.2 million (USD 1.8 million) of funding to a research project called MARBIPP (Marine Biodiversity, Patterns and Processes). These funds are available for use through year 2003. The aim of the project is to create a base for ensuring sustainable development by learning about biodiversity along the coasts of Sweden.

Marketing

As mentioned earlier, U.S. exports to Sweden, in general, have been hampered by the strength of the U.S. dollar. In addition, duty-free imports from other EU member states, the EU's barriers to imports from third countries (import tariffs on fish products range between 2 and 23 percent), and the short shipping distances from EU countries compared to overseas transit times have made the competitive environment difficult. However, the facts that quotas for fishing in the Baltic Sea are diminishing and that Swedish cod fishing might be halted from January 2003, may increase possibilities for U.S. cod exports to Sweden. In addition, consumption of processed and prepared seafood products such as crayfish tails, shrimp, lobsters and crab sticks, is steadily increasing in Sweden and this would provide opportunities for U.S. exporters particulary now that the U.S. dollar has weakened against the Swedish krona.

In Sweden, three organizations, ICA, COOP Norden and Axfood control about 80 percent of the retail market. These organizations are, along with Hartwig AB, Olle and Pandalus, the principal importers of seafood in Sweden.

Statistical Section

PSD Table						
Country	Sweden					

Commodity	Groundfish, Whole/Eviscerated				(MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Beginning Stocks	0	0	0	0	0	0
Total Production	310000	49071	280000	60000	0	50000
Intra-EC Imports	50000	1267	60000	1000	0	5000
Other Imports	165000	5342	175000	5000	0	7000
TOTAL Imports	215000	6609	235000	6000	0	12000
TOTAL SUPPLY	525000	55680	515000	66000	0	62000
Intra-EC Exports	215000	14462	205000	24000	0	20000
Other Exports	35000	1012	35000	1000	0	1000
TOTAL Exports	250000	15474	240000	25000	0	21000
Domestic Consumption	275000	40206	275000	41000	0	41000
Other Use/Loss	0	0	0	0	0	0
TOTAL Utilization	275000	40206	275000	41000	0	41000
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	525000	55680	515000	66000	0	62000

Export Trade Matrix			
Country	Sweden		
Commodity	Groundfish, Whole/Eviscerated		
Time period	CY	Units:	Metric tons
Exports for:	2000		2001

U.S.	0	U.S.	0
Others		Others	
Denmark	5835	Denmark	8916
France	2135	France	2378
Netherlands	1634	Netherlands	1142
United Kingdom	541	United Kingdom	784
Germany	314	Germany	693
Belgium	243	Egypt	660
Spain	168	Belgium	263
Norway	104	Bulgaria	261
		Spain	184
Total for Others	10974		15281
Others not Listed	97		193
Grand Total	11071		15474

Import Trade Matrix			
Country	Sweden		
Commodity	Groundfish, Whole/Eviscerated		
Time period	CY	Units:	Metric tons
Imports for:	2000		2001
U.S.	64	U.S.	120
Others		Others	
Norway	2811	Norway	4128

Denmark	909	Denmark	974
Latvia	449	Estonia	438
Estonia	414	Latvia	223
Finland	154	Finland	162
Canada	138	Canada	139
Iceland	121		
Netherlands	111		
Total for Others	5107		6064
Others not Listed	283		425
Grand Total	5454		6609

Prices Table			
Country	Sweden		
Commodity	Groundfish, Whole/Eviscerated		
Prices in	USD	per uom	Metric tons
Year	2000	2001	% Change
Average year	3545	2944	-16.95%